

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of

Modernizing the FCC Form 477 Data Program)	WC Docket No. 11-10
)	
Development of Nationwide Broadband Data to)	WC Docket No. 07-38
Evaluate Reasonable and Timely Deployment of)	
Advanced Services to All Americans, Improvement)	
of Wireless Broadband Subscribership Data, and)	
Development of Data on Interconnected Voice over)	
Internet Protocol (VoIP) Subscribership)	
)	
Services Quality, Customer Satisfaction,)	WC Docket No. 08-190
Infrastructure and Operating Data Gathering)	
)	
Review of Wireline Competition Bureau Data)	WC Docket No. 10-132
Practices)	

COMMENTS OF TEXAS STATEWIDE TELEPHONE COOPERATIVE, INC.

**By: Texas Statewide Telephone Cooperative, Inc.
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March 30, 2011

Introduction and Summary

Texas Statewide Telephone Cooperative, Inc. (TSTCI) offers these comments in response to the Notice of Proposed Rulemaking (NPRM) regarding proposed modifications to the Form 477 data program.¹ TSTCI is an organization representing 39 small, rural incumbent telephone companies and cooperatives in Texas (see Attachment 1). TSTCI member companies and cooperatives are committed to providing high quality telecommunications services, including high quality broadband services, to their rural customers.

TSTCI appreciates the Commission's efforts to determine the meaningful data it needs to carry out its statutory duties, while recognizing the potentially significant burdens that data collections can place on those required to file the Form 477.² The NPRM states that the Commission will consider the burdens and benefits of any proposed changes discussed in the NPRM with the goal of ensuring that the Commission has the data it needs, while minimizing the overall burdens of data collection.³ With that goal in mind, TSTCI is commenting on several possible modifications to the Form 477 data program that can cause undue hardship on small rural incumbent local exchange carriers (RLECs). If the Commission does decide to require significant changes to its current data collection requirements that will cause undue hardship upon small companies, TSTCI believes the RLECs should be exempt from these requirements or allowed some alternative to the type of data collected.

All of the TSTCI member companies are considered small providers under the Small Business Act (SBA) rules. Incumbent local exchange carriers (ILECs) are included under the category Wired Telecommunications Carriers, where a business is considered small if it has

¹ Notice of Proposed Rulemaking, FCC 11-14, Adopted and Released February 8, 2011 (NPRM).

² Id., para. 37.

³ Id. para.1.

1,500 or fewer employees.⁴ All TSTCI member companies have considerably less than 1,500 employees. In fact, in the last survey done by TSTCI, the number of total employees by company ranged from fewer than ten to 138.⁵ The possibility of additional regulatory reports or new data requirements that are burdensome to produce is a very real concern to these small businesses because of their limited human resources and the additional administrative expense involved.

Semi-Annual Reporting is Sufficient

The NPRM seeks comment on whether the FCC Form 477 should be filed more or less frequently.⁶ Currently the FCC Form 477 data is reported on a semi-annual basis. TSTCI believes semi-annual reporting is sufficient to provide the Commission with the necessary data without causing undue hardship on small companies. More frequent reporting, such as quarterly reporting, would be burdensome for many RLECs whose workforce is very limited. The March 2011 FCC Form 477 instructions state that the estimated average time needed to complete and file a state-specific report is 65 hours.⁷ TSTCI realizes that this is a national average and the time to gather the data, complete, and file a report can vary significantly from company to company. However, if it takes even one quarter of the estimated time to complete the FCC Form 477 (16.25 hours), that is at least two days of work time for each report. If the Commission were to require quarterly reporting, even at the more conservative estimate of 16.25 hours, a company would spend 65 hours annually - over one and one-half weeks time - to produce and file data for only the FCC Form 477! Considering that this is only one of many regulatory reports required

⁴ Id., Appendix, para. 9.

⁵ Data from nineteen companies/cooperatives.

⁶ Id., para. 20.

⁷ Instructions for Local Telephone Competition and Broadband Reporting (FCC Form 477), Filing Due 3/1/2011, page 22.

by state and federal regulators, a requirement for additional reports would add additional administrative expenses and workload to those companies that can ill-afford additional administrative burdens. The resources needed to provide more and more data for reports are better utilized deploying and maintaining service to customers.

TSTCI also believes that the administrative expense and burdens of more frequent reporting that would be incurred by RLECs would be disproportionate to the value of the data for the Commission. The largest TSTCI member serves fewer than 30,000 access lines and more than half of TSTCI members serve fewer than 5,000 access lines. Approximately 80 percent of the TSTCI members' customers currently have access to broadband services at or above 768 kbps/200 kbps. The amount of change in broadband connections or local exchange access lines from quarter to quarter would likely not be material and would not justify more frequent reporting than semi-annual reports.

TSTCI urges the Commission to reject any proposal that requires more frequent filing of the FCC Form 477 data. Also, if the Commission substantially increases the amount of data required from Form 477 filers, serious consideration should be given to decreasing the frequency of reporting, at least for the small RLEC who will incur significant hardship complying with the revised data requirements.

ILEC Fixed Voice Network Deployment Data is Not Necessary

The NPRM cites comments informing the Commission that residents in some areas of the country do not have access to basic fixed telephone service. Although the national telephone subscription rate has remained high over the last ten years, the NPRM asks whether the

Commission should collect data on fixed voice network deployment⁸. In Texas, as in many other states, ILECs have provider-of-last- resort (POLR) obligations which compel these companies/cooperatives to offer basic local telephone service to all residents in their service areas. However, there are some uncertificated areas throughout parts of Texas (and the nation) that are not within the service area of any ILEC. These uncertificated areas are usually very remote with little or no population. If the Commission wishes to obtain service data about residents of uncertificated areas, the ILECs are not a source for this data and lack the ability to obtain the data.⁹

Given the state's POLR requirements, the only people lacking access to fixed voice service are likely to be residents of uncertificated areas and since the small ILECs are not in a position to provide service data about residents of uncertificated area, they should not be subject to this additional data-gathering requirement. If the Commission determines that data on fixed voice network deployment should be collected, TSTCI recommends that the Commission limit the data collection to areas (i.e., particular states or areas within particular states) that have historically been a concern.

The Need for Service Quality and Customer Satisfaction Data is Questionable

The Commission asks whether service quality and customer satisfaction data are necessary for several purposes including: ensuring that universal service fund (USF) support recipients provide reliable customer services that are of comparable quality to those not provided USF support; ensuring public safety by ensuring that networks remain a reliable means of

⁸ Id., para. 50.

⁹ Texas statute (Public Utility Regulatory Act Chapter 56, Subchapter F. Service to Uncertificated Area) and Public Utility Commission of Texas (PUCT) Substantive Rules (Sections 26.421, 26.422, and 26.423) provide a process whereby residents of uncertificated areas can petition the PUCT to designate a provider for voice service.

contacting public safety organizations; protecting consumers by ensuring they have information about network performance; and tracking the effects of the conversion from PSTN to IP services by providing insight into the performance levels of both networks.

TSTCI believes that the most important question to be answered first is why this data should be collected from RLECs at all, particularly at the federal level. There has been no evidence presented that indicates the quality of service provided by RLECs has been a problem. In Texas, consumers can complain to the Public Utility Commission of Texas (PUCT) about their service and the PUCT is required to keep records. In a recent report to the Texas Legislature, over the last four years (September 2006 through August 2010), only five percent of all telecommunications service complaints were quality of service related¹⁰. Also, the ILECs file quarterly quality of service reports with the PUCT and the PUCT has not indicated that there is any cause for concern regarding the quality of service provided by the RLECs.

In regard to the NPRM's proposed need for customer satisfaction data, if such data was required, consumer satisfaction surveys would have to be created, processed and data tabulated based upon whatever issues or particular data would be determined by the Commission. The Commission has said it will give careful consideration to the benefits and burdens of their data collections. TSTCI believes that imposing new reporting requirements and new processes upon small RLECs is not warranted and will be disproportionately burdensome to any benefit that may accrue to the Commission.

Of particular concern is the proposal that some or all of the service quality metrics formerly collected through ARMIS, be applied to small ILECs.¹¹ While granting forbearance from some ARMIS reports to certain ILECs in 2008, the Commission noted, "the *possibility* that

¹⁰ 2011 Report to the 82nd Texas Legislature, *Scope of Competition in Telecommunications Markets in Texas*, page 68.

¹¹ Id., para 96.

service quality and customer satisfaction data...*might* be useful to consumers to help them make informed choices in a competitive market, but only if available from the entire relevant industry.”¹² [Italics added.] This assertion is vague and does not provide justification for imposing new data collection and reporting requirements, particularly ARMIS-type data report requirements that were developed over twenty years ago for large price cap carriers “in order to monitor whether the implementation of price caps would lead to carriers lowering service quality.”¹³ The massive amount of data required for ARMIS reporting would be unduly burdensome for small ILECs and should not be required, particularly given that the necessity for such information is questionable. Further, as stated above, the state commissions enforce service quality standards for small incumbent carriers, and there is no evidence that a service quality issue exists among small incumbent providers, certainly there is no evidence warranting collection of additional data.

Reporting of Fixed Broadband Connections by Census Tract Should be Retained

Since the last revisions to the Form 477 that required that broadband subscription data be reported by census tract, there have only been five Form 477 reports due. To report broadband connections by census tract was costly to RLECs who previously did not keep any subscriber data by census tract. Many of these companies incurred significant expense because they needed to manually determine the census tract information for each subscriber’s address, and continue to do the same as new broadband subscribers are added. There also have been significant development and programming costs incurred for consultants, vendors, and companies’ billing systems’ changes (necessary to track of and report census tract data on an ongoing basis). If the

¹² NPRM, para 94.

¹³ Id., para. 94.

Commission were to impose a requirement to report subscription data by census block, the small companies will again have to incur the considerable expense of determining census block information on an individual address-by-address basis – plus incurring additional expenses associated with updating the various billing systems’ programs to include census block data. Development of census tract data was burdensome for many RLECs, and determining census block data would be unduly burdensome for RLECs. Further, if the Commission is looking for *broadband network deployment* data by census block instead of subscriber data, this would create even more of a hardship. Not only would the census blocks with subscribers have to be identified, but those census blocks where networks have been deployed but are without current subscribers would have to be determined. Most small companies do not currently maintain any subscriber or deployment data by census block, and to significantly change the data required will be overly burdensome to those companies with a small work force and limited resources.

The NPRM also questions reporting broadband network deployment on an address-by-address basis instead of subscription data on a census tract basis.¹⁴ Many RLECs do not maintain broadband network deployment data on an address-by-address basis. Some may maintain data on a circuit basis, but not by address. Also, all rural areas where networks are deployed may not have “street” addresses assigned. In rural areas where there are broadband subscribers but no street address, the RLEC may maintain descriptions of the locations and/or directions to the dwellings. To produce broadband network deployment information would again be very burdensome to those RLECs. One TSTCI member reported they would need to create a mapping system to show all existing subscriber and possible subscriber locations. If the Commission were to determine that broadband network deployment data be required, many TSTCI members believe it would be less burdensome to report this data on an address-by-

¹⁴ Id., para. 56

address basis than by census tract or census block, particularly those RLECs that have street addresses assigned throughout their deployment area. However, even in this case, it will be expensive for RLECs to produce this data for the Commission because of programming costs to develop and produce the reports.

TSTCI supports retaining the current method of collecting fixed broadband subscription data by census tract. As stated previously; the RLECs have incurred considerable expense to determine census tract data, and have only filed five Form 477 reports with census tract data. To require new data collection categories at this time will result in the RLECs having to incur additional programming and training costs, and in many cases many man hours would need to be devoted to manually researching the new data requirements. This would be an expensive, time consuming endeavor for the Texas RLECs.

Conclusion

TSTCI urges the Commission to seriously consider the hardships that several of the proposed modifications to the Form 477 reporting will cause to RLECs.

The FCC Form 477 data is now filed semi-annually. The Commission can minimize the burden on small businesses by not requiring more frequent FCC Form 477 reporting, as proposed by some. The value obtained from the data produced by small RLECs from more frequent reporting, such as quarterly reports, would be disproportionate to the administrative expense incurred by them.

State POLR requirements make Commission reports regarding fixed voice deployment unnecessary. However, if the Commission determines that data on fixed voice network deployment should be collected, TSTCI recommends that the Commission limit the data

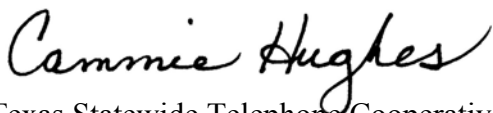
collection to areas (i.e., particular states or areas within particular states) that have historically been a concern and/or use the state commissions as a source.

No evidence has been presented that quality of service and customer satisfaction with RLEC services have been a problem that warrants reporting at the Federal level. Of particular concern is the proposal that some or all of the service quality metrics formerly collected through ARMIS be applied to small RLECs. The massive amount of data required for ARMIS reporting would be unduly burdensome for small ILECs and should not be required, particularly given that the necessity for such information has not been established.

The Commission should continue with data collection of fixed broadband subscription information by census tract, as currently done. There have been only five Form 477 reports filed since the Commission instituted modifications to the Form 477, and it was quite burdensome for RLECs to implement procedures for complying with the current Form 477 format. Reporting data on a fixed broadband network deployment basis will be expensive for many companies to implement regardless if the data is required on an address-by-address basis or some other geographic specific basis.

If the Commission requires significant changes to its current data collection requirements that will cause undue hardship upon small companies, RLECs should be exempt from the requirements or allowed some alternative to the type of data collected.

Respectfully submitted,

A handwritten signature in black ink that reads "Cammie Hughes". The signature is fluid and cursive, with the first name "Cammie" and last name "Hughes" clearly distinguishable.

Texas Statewide Telephone Cooperative, Inc.

By: Cammie Hughes
Authorized Representative

TEXAS STATEWIDE TELEPHONE COOPERATIVE, INC.

Alenco Communications, Inc.
Big Bend Telephone Company, Inc.
Brazoria Telephone Company
Brazos Telecommunications, Inc.
Brazos Telephone Cooperative, Inc.
Cameron Telephone Company
Cap Rock Telephone Cooperative, Inc.
Central Texas Telephone Cooperative, Inc.
Coleman County Telephone Cooperative, Inc.
Colorado Valley Telephone Cooperative, Inc.
Community Telephone Company, Inc.
Cumby Telephone Cooperative, Inc.
Dell Telephone Cooperative, Inc.
E.N.M.R. Telephone Cooperative, Inc.
Eastex Telephone Cooperative, Inc.
Electra Telephone Company
Etex Telephone Cooperative, Inc.
Five Area Telephone Cooperative, Inc.
Ganado Telephone Company, Inc.
Hill Country Telephone Cooperative, Inc.
Industry Telephone Company, Inc.
La Ward Telephone Exchange, Inc.
Lake Livingston Telephone Company
Lipan Telephone Company, Inc.
Livingston Telephone Company
Mid-Plains Rural Telephone Cooperative, Inc.
Nortex Communications, Inc.
Panhandle Telephone Cooperative, Inc.
Peoples Telephone Cooperative, Inc.
Poka Lambro Telephone Cooperative, Inc.
Riviera Telephone Company, Inc.
Santa Rosa Telephone Cooperative, Inc.
South Plains Telephone Cooperative, Inc.
Tatum Telephone Company
Taylor Telephone Cooperative, Inc.
Wes-Tex Telephone Cooperative, Inc.
West Plains Telecommunications, Inc.
West Texas Rural Tel. Cooperative, Inc.
XIT Rural Telephone Cooperative, Inc.